Ministry of Transportation Service Plan

2002/2003 to 2004/2005

February 2002

BRITISH COLUMBIA

Ministry of Transportation

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Ministry of
Transportation

SERVICE PLAN
2002/2003 – 2004/2005

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A *New Era* of Government Service

Three-year Service Plans represent an important part of the government's commitment to open and accountable government. In August 2001, the government amended the *Budget Transparency and Accountability Act* to require government to table a three-year Strategic Plan and annual three-year service plans for ministries and government organizations with the provincial budget. These Plans will ensure government and its individual ministries clearly outline their goals, and enable British Columbians to hold government accountable for its decisions and actions.

The government's Three Year Strategic Plan articulates the government's vision: *British Columbia is a prosperous and just province, whose citizens achieve their potential and have confidence in the future*. It also establishes three strategic goals that are key to achieving the government's overall vision:

- A strong and vibrant provincial economy
- A supportive social infrastructure
- Safe, healthy communities and a sustainable environment

This Service Plan details the Ministry's mission and objectives, which support the government's strategic goals. The Service Plan also includes performance measures that will be used to assess the Ministry's progress in achieving its objectives. Ministry objectives and performance measures are a new initiative. In some cases, as planning progresses, performance measures will become more detailed as they are further developed.

After the end of each fiscal year, the ministry will prepare a Service Plan Report that will describe actual accomplishments for the year just completed. The Report will include a comparison of planned and actual results, from both a financial and performance measure perspective and allow the public to assess the government's performance.

In the years ahead, Service Plans and Service Plan Reports, prepared by government ministries and organizations, will become the key tool by which government will manage public resources to ensure government programs are contributing, in a measurable way, to key government priorities in an efficient and effective manner.

The government's three-year Strategic Plan and Ministry three-year Service Plans will guide the reform of the province's public services so they meet British Columbians' needs. Measures to revitalize economic prosperity and protect and renew public services will lay the groundwork for a future of new opportunity for all British Columbians.

103-03769/

Accountability Statement

The 2002/2003 – 2004/2005 Ministry of Transportation Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared. The plan was developed in the context of the government's *New Era* commitments which are to be addressed by May 17, 2005. All material fiscal assumptions and policy decisions as of January 28, 2002 have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.

Judith Reid

Honourable Judith Reid
Minister of Transportation
February 4, 2002

BRITISH COLUMBIA

Ministry of Transportation

I am pleased to present the Ministry of Transportation's 2002/2003 – 2004/2005 Service Plan.

Transportation is an integral component of our economy. Efficient transportation systems allow us to move our goods and services in a competitive framework.

The ministry's first priority is to maintain a safe highway and road system. British Columbia's 42,000 km of roads represent a significant investment. While we are protecting that investment through proper maintenance and rehabilitation, it is also essential that the different regions of the province are able to share in the knowledge of the work being done and to provide input and ideas. We will be moving towards greater local decision-making to give communities more control over their own transportation needs and planning.

The demands on infrastructure and capacity still need to be met. In keeping with a concern for the province's overall fiscal position, private investment in highway infrastructure will be encouraged.

All significant highway development must occur in a planned and calculated manner and must provide maximum value to all people both in the short term and the long term. A multi-modal, integrated transportation plan is a part of this ministry's mandate. It provides the basis for continued improvements to services for all British Columbians, whether travelling by air, water, rail or road.

There will be many changes and challenges over the next few years. Facing them will require all provincial transportation agencies working together cooperatively with the private sector. This will allow us to provide the kind of efficient service and well planned infrastructure that will give British Columbia the best opportunity for economic growth and prosperity.

Judith Reid

Honourable Judith Reid
Minister of Transportation

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STRATEGIC CONTEXT

Government Priorities

1. A top-notch education system for students of all ages.
2. High quality public health care services that meet all patients' needs, where they live and when they need it.
3. A thriving private sector economy that creates high-paying job opportunities.
4. Safer streets and schools in every community.
5. Better services for children, families and First Nations.
6. The fastest growing technology industry in Canada.
7. A leading edge forest industry that is globally recognized for its productivity and environmental stewardship.
8. Greater equity and equality for British Columbia in Canada.
9. An open and accountable government.
10. Responsible, accountable management of British Columbians' public resources and tax dollars.

Vision

The vision of the Ministry of Transportation is a safe, efficient and reliable transportation system that supports a vibrant economy and meets the needs of British Columbia's citizens, businesses and communities.

Mission

The Ministry of Transportation will achieve its vision by:

- creating an integrated transportation plan that incorporates all modes of transport and provides a strong foundation for economic growth;
- maintaining and improving the provincial highway system, ensuring the efficient movement of goods from all regions to provincial, national and international markets; and
- ensuring regional participation in the highway and rural road system.

Values

- We respect regional and community goals and priorities.
- We are responsive to the needs of British Columbia business.
- We strive for excellence and innovation.

Planning Context

Organizational success can depend on the ability to scan, interpret and respond to the organization's environment. Updated annually, the Planning Context provides the ministry with early warning of upcoming pressures, challenges and opportunities that have the potential to impact the ministry's business.

Pressures

- More vehicles, bigger and heavier trucks and more kilometres driven all add up to more demand for transportation infrastructure. Growing demand for transportation is a major pressure in the more populous areas of the province.
- British Columbia must continually compete by reducing transportation costs and improving access to international gateways. In the short term, security issues related to terrorism have affected every border crossing in North America. However, British Columbia must continue to facilitate cross-border traffic while remaining secure.
- Fluctuations in the price of oil can have a significant impact on ministry activities. For every dollar increase in the crude oil price there is a corresponding cost pressure in the order of $900,000, for oil-based products such as asphalt, primer, seal coat and crack sealant.
- Major improvements to the Sea-to-Sky corridor are required. If the 2010 winter Olympic bid is accepted, further improvements will be needed.

Sea-to-Sky Highway

- Flooding, slides, unusual snowfall and other natural events are dependent upon changing weather patterns, which could become more frequent or severe in the future.

Challenges

- Delivering transportation improvements when public sector funding is scarce.
- Delivering programs in the face of stringent environmental legislation and unresolved First Nations issues.

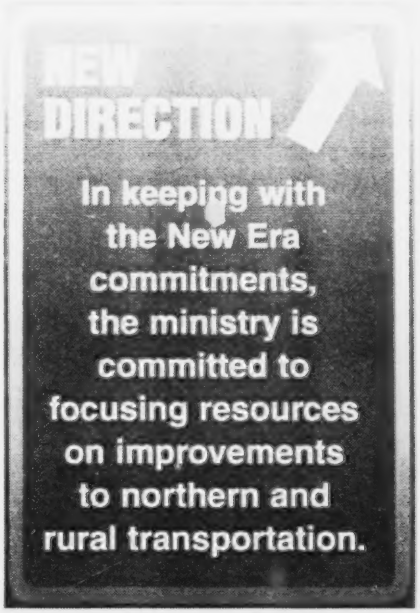
Opportunities

- Attract private sector investment in new transportation infrastructure. New models for investment, such as public-private partnerships and private sector investments in transportation infrastructure, provide opportunities to improve service while reducing the fiscal impact on the province.
- Use technological advances to improve transportation and competitiveness.
- Utilize the talent and innovation of British Columbians to meet provincial transportation needs.

MINISTRY GOALS AND PRIORITIES

Ministry Goals:

- Develop an integrated transportation strategy.
- Maximize private sector investment in the highway system.
- Improve the movement of goods and services between regions and through interprovincial and international gateways.
- Obtain and incorporate regional input.
- Focus on northern and rural areas.
- Maintain a highway system that is safe, reliable and supports the economy.
- Utilize cost-effective and accountable management practices.


NEW DIRECTION
In keeping with the New Era commitments, the ministry is committed to focusing resources on improvements to northern and rural transportation.

Ministry Goals Support the Following Government Priorities:

- A thriving private sector economy.
- Maintain access to education and health care facilities.
- An open and accountable government.
- Responsible, accountable management of British Columbians' public resources and tax dollars.

Priorities for Highways Service Delivery:

1. Maintain the asset.
2. Invest in improvements.

The first priority of the ministry is the effective operation of the highway system and maintenance of the asset – both to keep highways safe and to preserve the public investment.

The effective operation of the highway system ensures it is reliable and that goods and services can move through the province in a reasonable fashion. Rehabilitation, such as repaving, extends the life of the existing facilities and keeps maintenance costs from spiraling upward. The condition of the highway system is monitored and inspected regularly, with more frequent attention paid to aging components.

Projects are evaluated, ranked and programmed using sophisticated technical systems that are based on performance criteria, thresholds, rate of deterioration, and lifecycle-costs.

The second priority of the ministry is to effect transportation improvements that meet the needs of a growing population and economy. Of particular concern is the need for improvements to northern and rural roads. Project investment decisions are based on the relative merits of the associated business case submissions that address consistency with government priorities and plans, benefits and costs, value-for-money, and partnership opportunities. Priorities will be established based on recommendations from the regions.

In addition, projects are approved on a phase-by-phase basis to ensure that projects remain within acceptable parameters as they proceed through implementation. Increasingly, highway capacity improvements will be achieved by facilitating market-driven, private sector investments where those who benefit contribute to the services provided.

The Ministry's Business Also Includes:

- The BC Transportation Financing Authority, which owns and finances provincial highway assets.
- The Office of the Superintendent of Motor Vehicles, which oversees the driver fitness program, driver improvement programs, as well as conducts hearings on appeals of certain licensing decisions made by the Insurance Corporation of British Columbia.
- The Motor Carrier Commission, which is an independent body that regulates the province's commercial passenger industry.
- Rapid Transit Project 2000 (RTP2000) is a Crown Corporation responsible for the study, design, construction and development of a rail transit system (the SkyTrain extension) as approved by the province.

  The province provides funding for RTP2000, including amortization and debt servicing costs related to the SkyTrain extension.

The Minister is also responsible for the following Crown Corporations, which will be preparing independent Service Plans: BC Rail, BC Ferries, and BC Transit.

Strategic Shifts

The ministry is making a number of strategic shifts in how it conducts business in order to deliver its new mandate and goals effectively.

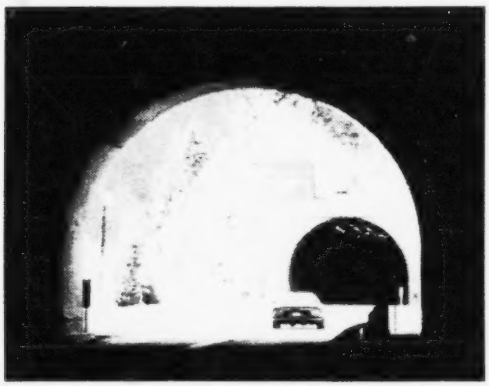
From	To
■ Sole decision-maker on infrastructure investment priorities	➡ ■ The establishment of regional transportation committees to provide input on priority investments.
■ New / expanded facilities are taxpayer funded	➡ ■ Private sector investment in highway expansion and improvements.
■ Province approves rural subdivisions	➡ ■ A streamlined rural subdivision approvals process, with full cost recovery, that is available for transfer to regional governments on a voluntary basis.
■ Ministry doing	➡ ■ The ministry as a knowledgeable owner that involves the private sector, local governments and other stakeholders in the management and delivery of the transportation system.
■ Separate mode-specific planning	➡ ■ The creation of a provincial transportation plan that integrates all modes of transportation.

PLANNING BY BUSINESS AREAS

Overview

This section of the plan focuses on the work performed by the ministry. The ministry's work is organized into four businesses areas:

- Highway Operations
- Transportation Improvements (Public-Private Partnerships)
- Motor Vehicle Regulation
- Corporate Services



Ministry Assets

- 23,100 km of paved road
- 18,600 km of gravel road
- 27% are numbered highways
- 73% are rural and northern roads
- 2,750 bridges, tunnels, snow sheds
- 16 inland ferry routes

Replacement cost of $70 billion

Business Area Plans
Business Area: Highway Operations

Description:

The Highway Operations business area encompasses the following specific program areas: Maintenance, Asset Preservation, Traffic Operations, Ferries and Coquihalla Toll Administration. The Maintenance and Traffic Operations program areas include a variety of activities, such as: regional and district operations, pavement marking, avalanche control, rock slope stabilization and contracts for the maintenance of highways, roads, bridge structures and tunnels. Asset Preservation involves, among other activities, road and bridge surfacing, bridge rehabilitation and replacement, safety improvements and minor betterments. This business area also includes the operation and maintenance of Inland Ferries, and responsibility for the Coquihalla Toll Administration.

Objective: To maintain and preserve provincial highways.

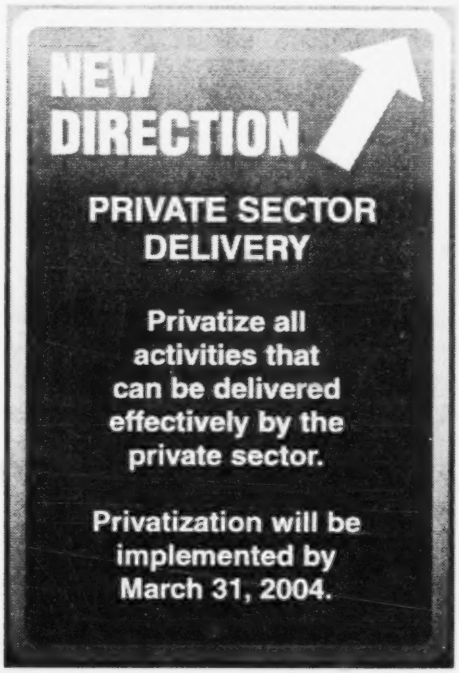
Strategies:

- Contract and monitor maintenance activities in all regions of the province (e.g. sanding, salting, snow removal, patching potholes, mowing and brushing).
- Reduce costs to government by: privatizing selected operations, such as the sign shop, electrical operations, pavement marking and radio systems; and commercializing rest areas.
- Implement a strategy to ensure the main roads and bridges are maintained to their present overall condition.
- Develop a measurement system to assess the condition of the side roads in British Columbia.
- Manage a $135 million per year investment for preserving and replacing essential highway infrastructure under the rehabilitation program (e.g. road resurfacing, bridge rehabilitation and replacement, and seismic retrofits).
- Manage a $30 million investment dedicated to the northern and rural road network.
- Oil and Gas II (northern roads) – road upgrading and improved access to natural resources.

Objective: To streamline operations.

Strategies:

- Deliver the Inland Ferry system at a reduced net cost to government by Spring 2003.
- Streamline the rural subdivision approvals process in 2002, establish full cost recovery, and offer to transfer the program to regional governments.
- Transfer the maintenance and operation of some portions of the provincial highway system to the private sector as a component of public-private partnerships.


NEW
DIRECTION
PRIVATE SECTOR DELIVERY
Privatize all activities that can be delivered effectively by the private sector.
Privatization will be implemented by March 31, 2004.

Expenditures ($000s) – Highway Operations

	2001/02 Restated Estimates	2002/03 Estimates	2003/04 Plan	2004/05 Plan
Ministry of Transportation				
Operating expenditures*	436,374	449,304	438,826	403,944
Capital expenditures *(Consolidated Revenue Fund) – Other Capital Assets*	12,742	4,265	2,550	2,550
Full-time Equivalents	1,349	1,111	900	618
Capital rehabilitation expenditures *(Consolidated Capital Plan recoverable from BCTFA)*	155,000	165,000	165,000	165,000

**Operating expenditures are net of recoveries from the BC Transportation Financing Authority and other parties.*

Business Area: Transportation Improvements

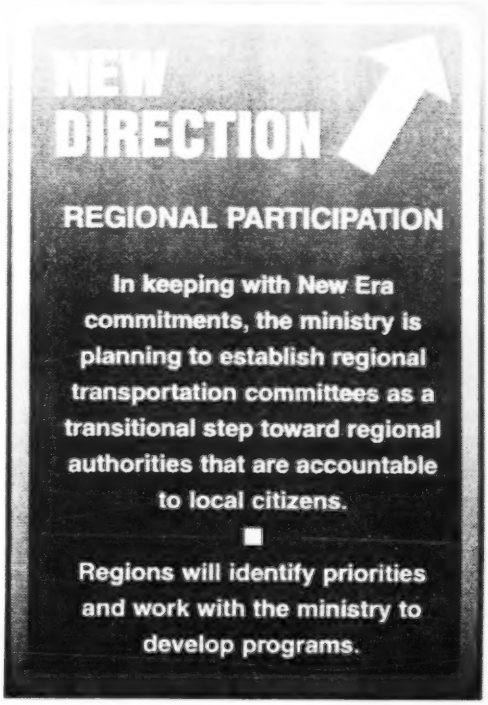
Description:

The Transportation Improvements business area encompasses the following specific program areas: Transportation Policy and Legislation; Partnerships; Planning, Engineering and Construction. Transportation Policy and Legislation provides guidance on the development of transportation, highway and corporate policy and legislation. Partnerships focuses on the development of partnerships with the private sector and other levels of government, and on making efficient use of property under the ministry's jurisdiction to defray or reduce the cost of new highway facilities. The Planning, Engineering and Construction program area includes highway planning, capital program development and monitoring, investment strategies, quality management, access management, direction and management of projects, engineering, survey and design.

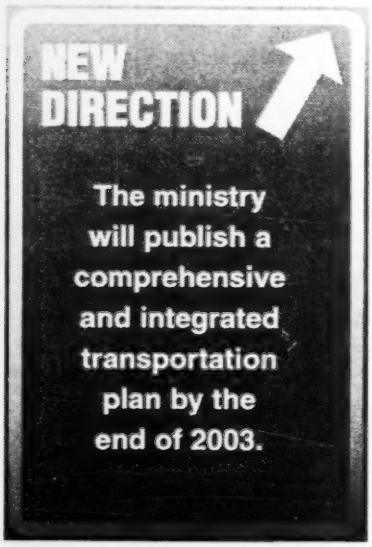
Objective: To increase regional/local input, participation and priority setting within the transportation system.

Strategies:

- Establish regional transportation committees by December, 2002. Initially, the committees will focus on priorities for maintaining the road and highway system. They will also provide input to the provincial transportation plan. Committee responsibilities are expected to be broadened over time, leading to the creation of Regional Transportation Authorities that are accountable to local citizens.
- Develop an integrated transportation plan that considers various regional transportation models by the end of 2003.


NEW DIRECTION
REGIONAL PARTICIPATION
In keeping with New Era commitments, the ministry is planning to establish regional transportation committees as a transitional step toward regional authorities that are accountable to local citizens.
Regions will identify priorities and work with the ministry to develop programs.

Objective: To improve the highway infrastructure and network, increasingly through public-private partnerships.



Strategies:

- To develop partnerships and promote investment by the private sector and other levels of government in highway expansions or improvements.
- Establish the policy and legal framework to enable public-private partnerships for building / owning / financing / and operating provincial highways.
- Develop and solicit public-private partnership proposals and enter into agreements. The ministry expects to have one major public-private partnership project ready to take to market by the end of 2002 and a second one by the end of 2003.

- Utilize design / build procurement within a specified area of public lands to make efficient use of the land and defray or reduce the costs of improvements.
- Complete legal and functional commitments:
  - Vancouver Island Highway Project – corridor improvements (bypasses, safety, interchanges and intersection improvements, connectors and realignment)
  - Nisga'a Highway: Greenville-Kincolith – new route
  - Highway 16: Smithers – curb and gutter
  - Highway 37: Deltaic-Kiniskan – reconstruct / sealcoat (pave)
  - Nisga'a Highway Upgrade (2005/06) – reconstruct / pave
- Complete Strategic Highway Infrastructure Program (SHIP) projects. Proposals include:
  - Cross-Border Initiatives in the Lower Mainland – interchange and intersection reconstruction / four laning, truck and PACE lanes / traveler and commercial information systems improvements
  - Highway 1: Five Mile Bridge (Kicking Horse Canyon) – four laning / bridge replacement
  - Highway 97: Cottonwood Bridge – realignment / replacement
  - Highway 3: Moyie Bluffs – realignment / climbing lanes

NEW DIRECTION
PUBLIC–PRIVATE PARTNERSHIPS
Government will be developing a new tolling policy that facilitates private sector investment.
The new policy will be finalized by June 2002.

  - Highway 97: South Peace Hill – realignment
  - Other initiatives on Highway 1, Kamloops to the Alberta Border – safety and mobility improvements
- Develop a transportation strategy for the 2010 Olympics by April, 2002.
- Prepare the Annual Provincial Highway Plan, Corridor Management Plans and investment strategies to facilitate and prioritize improvements.
- Participate in national transportation planning initiatives.

Objective: To reduce regulatory requirements and minimize the functional and paper burden on the public, stakeholders and industry.

Strategies:

- Undertake a ministry-wide regulatory review.
- Eliminate non-essential procedures, forms, licenses and regulations that add to the cost of dealing with government.
- Streamline rural subdivision approvals process into a "one-stop shop" in 2002 and offer to transfer the program to regional districts.

Expenditures ($000s) – Transportation Improvements

	2001/02 Restated Estimates	2002/03 Estimates	2003/04 Plan	2004/05 Plan
Ministry of Transportation				
Operating expenditures*	29,925	13,981	12,836	12,147
Capital expenditures *(Consolidated Revenue Fund) – Other Capital Assets*	1,428	1,420	750	750
Full-time Equivalents	696	340	198	178
Capital expansion expenditures *(Consolidated Capital Plan recoverable from BCTFA)*	176,000	89,000	56,000	52,000

**Operating expenditures are net of recoveries from the BC Transportation Financing Authority and other parties.*

2002/2003 HIGHWAY IMPROVEMENTS

Lower Mainland Projects

1. Hwy 99 Interchange (Detail A)
2. 8th Avenue Widening (Detail A)
3. Hwy 99/8th Avenue Intersection (Detail A)
4. Hwy 1 – 216 Truck Lane Declaration Lane / Commercial Vehicle Operations Project (Detail A)
5. Hwy 99 HOV Lane (Detail A)
6. Hwy 99 and 17 Advanced Traveller Information System (Detail A)
7. Webber Interchange (Reconfiguration)

Projects / Proposals

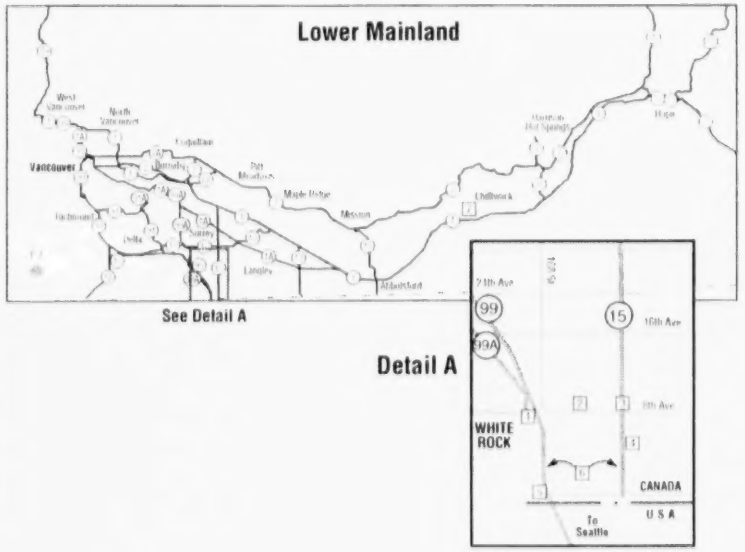
1. Hwy 1 Five Mile Bridge (Four Laning Replacement)
2. Hwy 97C Cottonwood Bridge (Realignment/Replacement)
3. Hwy 1 Wilson Overhead (Realignment/Replacement, Intersection Improvement)
4. Hwy 1 Victoria Hard (Intersection Upgrade, Prairie Hill Lane)
5. Hwy 1 Broadview Infrastructure (Four Laning/Frontage Roads)
6. Hwy 1 Major Bluffs (Realignment/Climbing Lane)
7. Hwy 97C South Peace Hill (Highway Realignment)
8. Hwy 1 – 88th Street to Highway 97B (Four Laning and Highway 97B Intersection)
9. Hwy 16 Southern Curb and Gutter

Oil and Gas Initiatives (Northeast B.C.)

- OGI A Fort St. John Project
- OGI B Land Project
- OGI C Border Project

Corridors

- Provincial Highways
- Vancouver Island Highway Project
- Highway 1 Cache Creek to the Alberta Highway 97



Business Area: Motor Vehicle Regulation

Description:

The Motor Vehicle Regulation business area encompasses the following specific program areas: Office of the Superintendent of Motor Vehicles (OSMV) and Motor Carrier Commission (MCC). The OSMV administers sections of the *Motor Vehicle Act* relating to dangerous drivers and the fitness of drivers; conducts appeals of administrative driving prohibitions and vehicle impoundment; conducts hearings and reviews of the Insurance Corporation of British Columbia's (ICBC) decisions regarding driver licence sanctions, driver training and driver licences; vehicle inspection facility and inspector licences; and licensing sanctions affecting motor carriers regulated under the National Safety Code. The MCC provides for an independent body which regulates the province's commercial passenger industry (buses and taxis) pursuant to the *Motor Carrier Act*. The Commission, by delegation pursuant to the *Motor Vehicle Transport Act* (Canada), issues licences for the interprovincial and international road transport of passengers.

Objective: To ensure a high degree of safety on British Columbia's roads by protecting the public from unfit drivers while recognizing individual needs for driving privileges.

Strategies:

- Review driver fitness standards with ICBC and other jurisdictions to sustain safety while responding to human rights challenges and directives.
- Examine and evaluate the Remediation for Impaired Drivers Program in cooperation with other provincial government organizations.

Objective: To regulate commercial passenger transportation to promote public access at reasonable costs, safety and an economically viable industry.

Strategies:

- Provide efficient, cooperative, responsive and timely services in administering, adjudicating and enforcing the *Motor Carrier Act*.
- Review ministry regulatory legislation to reduce red tape and costs.
- Participate in the government's Administrative Justice Project to streamline regulation, reduce red tape and costs.
- Work cooperatively with industry, the public and other transportation interests to improve the regulation of motor carriers in British Columbia.

Expenditures ($000s) – Motor Vehicle Regulation

	2001/02 Restated Estimates	2002/03 Estimates	2003/04 Plan	2004/05 Plan
Ministry of Transportation				
Operating expenditures	4,943	4,537	4,326	4,317
Capital expenditures *(Consolidated Revenue Fund) – Other Capital Assets*	388	250	250	250
Full-time Equivalents	74	65	65	64

Core Business Area: Corporate Services

Description:

The Corporate Services business area encompasses the following activities: finance, administration, asset management, capital project audits, human resources, Minister and Deputy Minister's offices, facilities management, information systems, performance measurement and information and protection of privacy.

Objective: To ensure ministry expenditure management meets the three-year budget target.

Strategies:

- Monitor ministry expenditures and implement corrective measures where over-expenditures are projected.

Objective: To increase the ministry's efficiency and effectiveness.

Strategies:

- Participate in government shared services and best practice initiatives that will result in cost savings.
- Develop a human resources strategy that addresses competencies, training and succession planning.

- Improve service delivery and productivity by facilitating business process simplification and effective use of information technology.
- Adopt new ideas and innovations as a result of, and in response to, government's "waste buster" initiative and suggestions from staff and stakeholders.

Objective: To increase public accountability.

Strategies:

- Ensure that the ministry's service plan and performance measurement are in accordance with the *Budget Transparency and Accountability Act*, focused on performance measures meaningful to the public.
- Provide open and proactive communication with the public through the internet, media and staff.

Accountability and Reporting

Yearly reports on:

- priorities and private sector involvement
- rural subdivision approvals process improvements and regional district involvement
- cost savings in maintenance contracts
- northern and rural roads

Expenditures ($000s) – Corporate Services

	2001/02 Restated Estimates	2002/03 Estimates	2003/04 Plan	2004/05 Plan
Ministry of Transportation				
Operating expenditures	25,418	20,521	15,411	13,941
Capital expenditures *(Consolidated Revenue Fund) – Other Capital Assets*	3,289	2,815	1,200	1,200
Full-time Equivalents	252	179	111	65

PERFORMANCE MEASURES AND TARGETS

Transportation

Measure	2001/02 Base Data	2002/03 Target	2003/04 Target	2004/05 Target
Integrated Transportation Plan	Commence Technical Work	Complete Consultations	Publish Plan	TBD
Provincial Inland Ferries				
• Number of vehicles carried	1,640,413	1,539,620	1,385,658	1,231,696
• Cost per vehicle carried	$7.79	$7.65	$8.94	$7.92
• Actual hours of service vs. scheduled hours	99%	99%	99%	99%

Provincial Inland Ferries – Cost Per Vehicle Carried

Highways

Measure	2001/02 Base Data	2002/03 Target	2003/04 Target	2004/05 Target
Mobility				
Level of traffic congestion				
• Urban highways *(% of vehicle kilometres traveled in conditions where the volume to capacity ratio exceeds 0.9)*	13.3%	13.8%	14.3%	14.8%
• Commercial Trucking travel time between major economic gateways *(to be developed commencing with 2002/03 fiscal)*	N/A	TBD*	TBD*	TBD*
Highway Safety *(per 100 million vehicle kilometres traveled)*				
• Number of fatalities	1.08	1.08	1.08	1.08
• Number of serious injuries *Note: injury data will not become fully reliable until all police departments adopt uniform thresholds for reporting.*	28.40	28.40	28.40	28.40
Pavement Condition *(Pavement Condition Rating – % of kilometres where condition = Good / Excellent)*				
• Primary	75%	75%	75%	75%
• Secondary	65%	65%	65%	65%
• Northern and rural roads	N/A	TBD**	TBD**	TBD**

* *Baseline data and results tracking to commence in 2002/03.*

** *Baseline data captured in 2002/03. Tracking of results in 2003/04.*

Pavement Condition

Primary Highways

- pavement condition rating – % of kilometres where condition = Good / Excellent
- 2001/02 Base Data and 2002/03 – 2004/05 targets remain constant

Secondary Highways

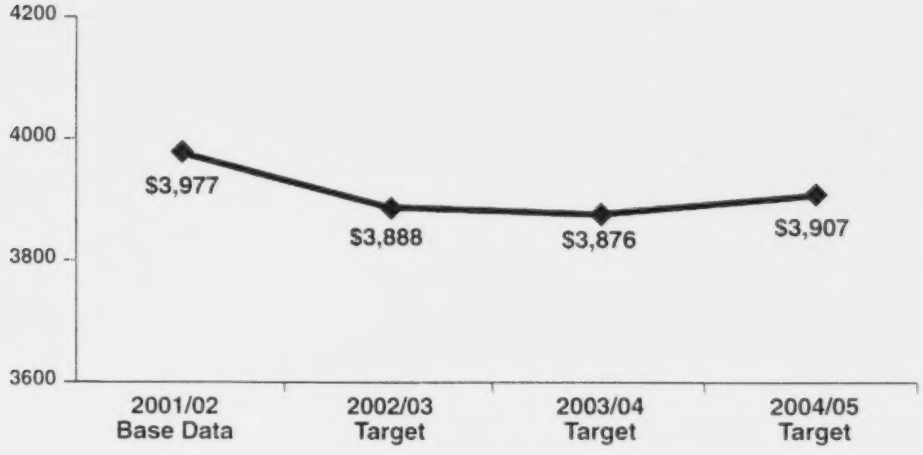
- pavement condition rating – % of kilometres where condition = Good / Excellent
- 2001/02 Base Data and 2002/03 – 2004/05 targets remain constant

Measure	2001/02 Base Data	2002/03 Target	2003/04 Target	2004/05 Target
Highway Maintenance and Rehabilitation				
• Number of lane kilometres resurfaced	2,300	2,500	2,500	2,500
• Bridge condition *(% of bridges where condition = Good / Excellent)*	78%	78%	78%	79%
Highway Maintenance *(includes Road and Bridge Maintenance Contracts, Other Maintenance and Operations)*				
• Number of lane kilometres of road	84,414	84,624	84,624	82,157
• Maintenance cost per lane kilometre*	$3,977	$3,888	$3,876	$3,907
• Quality Assurance Rating for maintenance contracts *(overall present state)*	0.91	0.91	0.91	0.91
• Pavement marking				
– Number of kilometres painted	30,049	28,000	28,000	28,000
– Cost per line kilometres	$253	$280	$280	$280
• Reliability *(road closures)*	N/A	TBD**	TBD**	TBD**

**Increased cost per kilometre over the period is due to forecasted increase in wages and fuel cost.*

***Commence tracking results in 2002/03.*

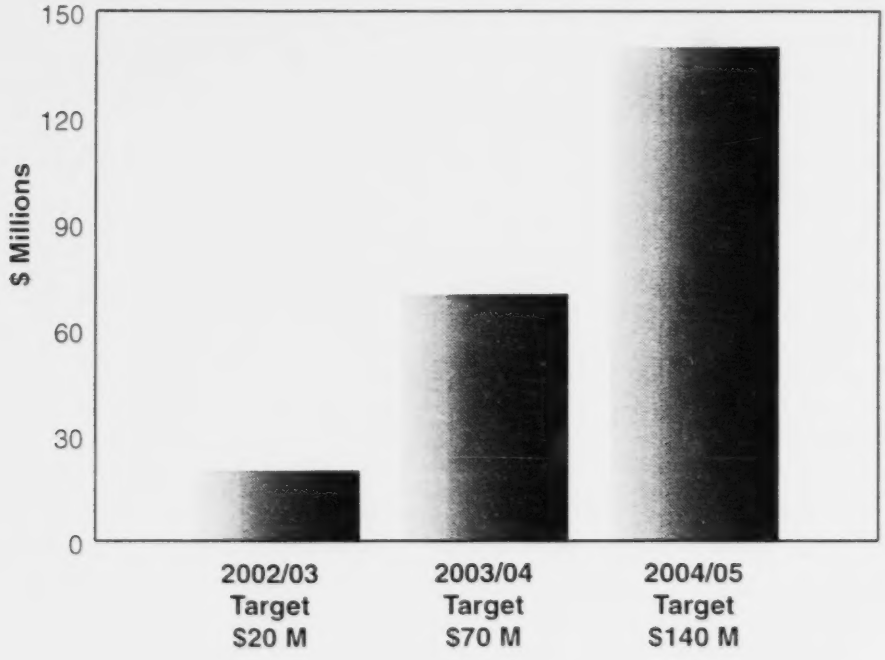
Maintenance Cost per Lane Kilometre



Measure	2001/02 Base Data	2002/03 Target	2003/04 Target	2004/05 Target
Client Survey *(survey of road user satisfaction - currently under development)*	N/A	TBD*	TBD*	TBD*
Highway Improvement				
• **Capital Project Performance**				
• % of work on or under budget	100%	100%	100%	100%
• % of work on time	96.6%	100%	100%	100%
• **Partnerships: Investment Leveraged**				
• Private investment capital leveraged through public-private partnerships and defrayed or reduced cost from efficient land use	N/A	$20 M	$70 M	$140 M

**Client survey to commence in 2002/03.*

Partnerships – Investment Leveraged



Resources

Summary Plan

Ministry of Transportation

The Ministry of Transportation manages the revenue and expenditures of the ministry through the Consolidated Revenue Fund, and the BCTFA, a Crown Corporation. The BCTFA is included in the provincial summary financial statements. The financial figures below are consistent with the Estimates publication.

	2001/02 Restated Estimates	2002/03 Estimates	2003/04 Plan	2004/05 Plan
Operating Expenditures – $000s				
Highway Operations	436,374	449,304	438,826	403,944
Transportation Improvements	29,925	13,981	12,836	12,147
Motor Vehicle Regulation	4,943	4,537	4,326	4,317
Corporate Services	25,418	20,521	15,411	13,941
Grant to BCTFA	3,363	0	0	0
Public Transit*	172,850	250,162	254,067	246,549
Totals	**672,873**	**738,505**	**725,466**	**680,898**
Full-Time Equivalents	2,371	1,695	1,274	925
Capital (Consolidated Revenue Fund) – $000s				
Highway Operations	12,742	4,265	2,550	2,550
Transportation Improvements	1,428	1,420	750	750
Motor Vehicle Regulation	388	250	250	250
Corporate Services	3,289	2,815	1,200	1,200
Totals	**17,847**	**8,750**	**4,750**	**4,750**
Financing Transactions – $000s				
Public Transit	316,000	155,070	13,800	11,480
Totals	**316,000**	**155,070**	**13,800**	**11,480**
Revenue – $000s				
Highways Revenue**	45,135	46,445	47,465	48,505

* *Public Transit: Includes an operating grant to BC Transit, as well as amortization and debt servicing costs for both BC Transit and Rapid Transit Project 2000. Amounts have changed from Ministry Service Plan Summary released January 17, 2002, as a result of the write-off of deferred start up costs for Rapid Transit Project 2000 in fiscal 2002/03, and updated amortization and debt servicing expense estimates for Rapid Transit Project 2000 in 2003/04 and 2004/05.*

For detailed information on BC Transit, see the BC Transit Service Plan.

** *The majority of the ministry's reported revenue comes from Coquihalla Tolls ($42.570 million–2001/02; $46.220 million–2004/05).*

BC Transportation Financing Authority

The future of the BCTFA is dependent on the results of the work being undertaken to establish the policy and legal framework that will enable public-private partnerships for building, owning, financing and operating provincial highways. Accordingly, some of the expenditures and revenues forecast for future years may become the responsibility of the Ministry of Transportation or another entity.

	2001/02 Budget	2002/03 Budget	2003/04 Plan	2004/05 Plan
Consolidated Income Statement ($000s)[1]				
Dedicated revenue [2]	201,300	203,200	208,500	213,800
Capital contributions [3] (amortization)	188,681	181,054	174,808	171,145
Contractor fees [4]	70,000	19,000	–	–
Other [5]	52,786	6,130	4,120	3,616
	512,767	**409,384**	**387,428**	**388,561**
Expenditures				
Amortization	262,013	280,736	287,737	296,016
Interest [6]	135,556	154,119	172,594	191,311
Construction wages and benefits [4]	70,000	19,000	–	–
Operations and administration	24,910	6,332	3,820	3,616
Grant programs [7]	19,477	4,800	300	–
	511,956	464,987	464,451	490,943
Net Income	**811**	**(55,603)**	**(77,023)**	**(102,382)**

1 *Includes results of Highway Constructors Ltd. (HCL), a wholly-owned subsidiary.*

2 *Dedicated revenue includes 3.25 cents / litre of motor fuel tax and a provincial sales tax on short-term car rentals.*

3 *Capital contributions include the offset for highway infrastructure transferred from the Province of British Columbia and other capital contributions received from outside agencies. These contributions are amortized to income at the same rate as the related highway infrastructure is amortized as expense.*

4 *HCL provides construction labour on various infrastructure projects and recovers the costs. HCL will cease operations once committed contracts are complete.*

5 *Includes economic development, property and investment revenue, recorded net of related expenses. In 2001/02 also includes a $43.7 million grant from the Ministry of Transportation.*

6 *Interest on borrowing used to finance construction work in progress is capitalized. Upon completion, interest capitalization ceases, and related interest costs are expensed.*

7 *Includes grants paid under the air transport assistance program, the cycling network program, the infrastructure works program, the newly incorporated territories program, and start-up / mobilization costs for SkyTrain.*

Capital (Consolidated Capital Plan) – $000s				
BCTFA	331,000	254,020	220,850	217,230

Major Capital Projects

Project Name: Kicking Horse Canyon (Five Mile Bridge)

Objectives:

- Improve the highway to improve safety, increase mobility and minimize road closures due to slides and accidents.
- Promote economic development for local businesses (e.g. tourism) through improved access.

Costs:

- The estimated total project cost is $61.5 million.
- Expenditures to March 31, 2002 are $11.56 million against previous approvals for planning, engineering and advanced rock excavation. Implementation is subject to securing federal funding contributions under the Strategic Highway Infrastructure Program (50% of eligible costs) and Treasury Board approval.

Benefits:

- The net present value of the project is $112.35 million.
- The benefits of the project include: travel time savings, economic development benefits and accident reduction.

Risks:

- Technical Risk: Rock and slope stability and climatic conditions.
- Financial Risk: Possible construction problems due to difficult topography and material costs.

Project Name: Nisga'a Highway

Objectives:

To facilitate economic growth and development, the province is continuing a seven year investment program with two components:

- Upgrading Nisga'a Highway to an all weather two-lane highway.
- The Village of Kincolith will become accessible through a new road, Greenville to Kincolith, under a cost-sharing partnership between the federal and provincial government and the Nisga'a Tribal Council.

Costs:

- Nisga'a Highway Upgrade – $52 M
- Greenville-Kincolith (new route) – $17.5 M (provincial share)

Benefits:

- Increased economic development (e.g. tourism).
- Safety, access and mobility improvements.

Risks:

- Nisga'a upgrade budget was increased from original estimate of $41 million.

Project Name: Vancouver Island Highway Project (VIHP)

Objectives:

- Provide a transportation corridor that addresses the needs of Vancouver Island and improves safety.

Costs:

- The project has a budget of $1.2 billion (in 1993 dollars).

Benefits:

- Time savings for road users.
- There has been a 60% reduction in traffic accidents in some areas.
- Reduced vehicle operating costs for all users.

Risks:

- Risks are low, as the project is substantially complete. The two remaining sections, Millstream Connector and Mill Bay to Duncan, are scheduled for completion in 2002/03.

APPENDIX I:

Fees and Licensing

The Ministry of Transportation's fees and licenses can be grouped into the following six areas:

- Contract Administration: tender document packages, plans and drawings;
- Office of the Superintendent of Motor Vehicles: vehicle impoundment review fee, administrative driving prohibition program appeal fee, driver fitness medical review fee, appeals and reviews of the Insurance Corporation of British Columbia licensing decisions, and show cause hearing fee;
- Development Approvals: subdivision and strata plan permits;
- Coquihalla Highway Tolls;
- Inland Ferries Tolls; and
- Motor Carrier Commission (separate agency): motor carrier licence/certificate/permit, fees for duplicate plates and certificates, and public hearing fee.

Contract Administration Fees

The ministry charges fees for tender document packages (and related material). The rate is set to cover the cost of printing. This approach is consistent with the standard industry practice.

Office of the Superintendent of Motor Vehicles

The Office of the Superintendent of Motor Vehicles provides reviews of police and ICBC motor vehicle licensing decisions affecting safety, individuals, jobs and businesses. Current fees only partially pay for reviews and would have to increase substantially to fully recover costs. However, higher fees would reduce access to reviews which help ensure that ICBC and police treat clients fairly while allowing licensing sanctions when there is a valid safety reason.

Development Approvals

Development Approvals fees are charged for rural subdivision and strata plan approvals. Alternative delivery methods are being considered to improve efficiency and services. These include a "one window" approval system administered by the ministry and transfer of the rural subdivision approvals to regional districts where they express an interest. In addition to streamlining the development approvals process, the ministry is also looking at ways to achieve full cost recovery of this program.

Coquihalla Highway Tolls

Coquihalla Highway Tolls are charged for vehicles using the Coquihalla Highway. The Coquihalla Highway is under consideration as a possible candidate for a public-private partnership.

Inland Ferries Tolls

Tolls are planned to recover part of the operating cost of the Inland Ferry System. Some service hours will be reduced during low demand times to manage operating costs.

Motor Carrier Commission

The fees and licences administered by the Motor Carrier Commission are currently being examined as part of the Administrative Justice Project.

APPENDIX II:

Information Resource Management Plan

Current Information Management (IM) / Information Technology (IT) Environment

The ministry operates information systems in support of a broad range of information types and subjects, from standard corporate systems such as human resources and finance, to engineering and highway-specific systems including road inventory, road conditions, road design, and road management.
The ministry's technical architecture conforms to government standards with the exception of its Banyan Vines Local Area Network (LAN).

Future IM/IT Environment (Major Projects)

With no new initiatives planned, the following are projects that carryover from 2001/02 and are focused on stabilization and standardization of ministry information resources:

- Implementation of information technology (IT) shared services and standardization of information systems (IS) management practices. Conversion of the ministry's LAN to Windows 2000 and standardization of the ministry's Oracle database environment to new cross government standards.
- Continuation of Electronic Service Delivery initiatives that are under way including Road Inventory and Maintenance System, Snow Avalanche and Weather System, Data Sharing Framework, Motor Vehicles Work Management System, and Development Approvals System.

Opportunities for Sharing

The ministry will partner with the central agency, Ministry of Management Services, along with other ministries on the development of IT shared technical infrastructure, service level agreements and the appropriate human resource management plans to ensure a successful transition. Other sharing options for IS business and application sharing will be investigated.

APPENDIX III:

Human Resource Management Plan Overview

Goal	Objective	Strategy	Performance Measure
Organizational Structure			
Redesign the organizational structure to meet the 2002/03 - 2004/05 budget and overall government direction.	■ To ensure that people are in the right place with the skills necessary to meet the ministry's program delivery requirements.	■ Identify core program, skill and location requirements, and delivery methods.	■ New organizational design completed and successfully implemented.
Workforce Adjustment			
Complete workforce adjustment and organizational realignment.	■ To implement exit incentive programs, conduct lay-off process, privatization initiative or implement an alternate service delivery method.	■ Present redundant staff with exit incentive programs; relocation, transfer and placement opportunities; or lay-off notice.	■ Reduction / realignment targets met.
Strategy			
Implement a Human Resource Strategy to meet new organizational needs.	■ To develop and implement a Human Resource Strategy that is linked to the organization's current and future needs. Based on the core competencies required to meet business requirements, key components will include staff training and development, succession planning, and recruitment strategies.	■ Create plan to support business and service requirements. ■ Obtain organizational support. ■ Implement plan.	■ Creation of a clearly laid-out plan that contains strategies and programs to meet the ministry needs. ■ Implementation of the plan.